

SUMMARY POLICY ISSUE PAPER – FOR EDAG DISCUSSION

Title of Paper	Switching Programme Transition Strategy		
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Issue Owners / Author	Barry Coughlan and James Crump / Graeme Barton (Author)		
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Summary and recommendation

1. The issue considered by this paper is how the transition from current switching arrangements to new could be structured. We have developed a set of options for how the transition could be run. The transition strategy will be included in Design Baseline 1, which will inform a request for information to cost up the Switching Programme reform packages. Based on responses from market participants a more detailed transition approach will be developed next year and finalised by the end of the programme Detailed Level Specification (DLS) phase.
2. The transition strategy will ensure we have confidence that the new arrangements work at go-live and beyond, and are delivered in an efficient and robust way. Transition problems could arise due to the scale of change, the need for different industry parties to understand and be capable of delivering changes by set dates, or due to the lack of processes or contingencies to address errors. The strategy should mitigate risks that arise from implementing the new arrangements to an acceptable level.
3. The chosen strategy will impact the cost and reliability of the implementation of the new switching arrangements for different industry parties. It could also create competition issues if there is any differential impact on suppliers.
4. We have considered a large number of options for how the transition can be structured. Full detail of the options long-list is included in the main document accompanying this paper. Having considered the pros and cons of this long-list we focused on a short-list of two core options:

Option A Big bang: A 'strict' big bang implementation would mean that all market participants implement all of the new switching arrangements at the same time and the new arrangements should go-live for all consumers at the same time. A date would be set for the new arrangements to go live, following a design, build and test phase, after

which all new change of supply requests would be processed under these new arrangements. This option could apply to all models of the solution architecture.

Option B Phased implementation of components of the design: This option is primarily designed with solution architecture option 3 in mind. The delivery of a new MIS database could be separated from the CRS database, reducing the amount of change happening simultaneously at the point of go-live. The first phase could comprise either the CRS or the MIS. A final decision on which part should be delivered first would be taken during the programme DLS phase.

5. In addition to these two high level options, there are a series of further issues that we outline in the paper, which will be given further detailed consideration in the programme DLS phase:

Additional controls: The transition options could be combined with additional controls that may act to mitigate delivery risks and minimise disruption associated with implementation. We propose to consider the need for additional controls during the DLS phase once we have a fuller understanding of the solution architecture, and other aspects of delivery. These controls could include:

- Extending the time for change of supply requests to be processed within the new arrangements;
- Managing publicity or consumer awareness activities in the initial post-implementation period to ensure consistency, clarity and simplicity of communications, until we are confident that the arrangements are functioning as intended; and
- Increased monitoring and support to resolve early life issues.

In-flight switches: A plan will be developed during the DLS phase for the operation of the cut-over point for 'in-flight' switches at the date of implementation, and this could link to the detailed data and infrastructure migration approach. Our initial preference is to avoid any overlapping operations of legacy and new switching arrangements. To do this, all switch requests in legacy systems could be held for up to 28 days by suppliers before the implementation date and would be converted into registration requests in the format required by the new switching arrangements. They would then be processed using the new switching arrangements after the implementation date. We expect that this will be less complex and there will be less risk of 'lost' registration requests.

Delivering benefits to consumers ahead of full programme delivery: Depending on the chosen model for the solution architecture, and the length of the design, build and test phase, it could be a substantial amount of time before consumers see the benefits of the Switching Programme changes. Early implementation of some changes is attractive as it could enable consumers to take advantage of faster switching at an earlier date. However, requiring market participants to make changes to existing systems ahead of full implementation of the new switching arrangements could create additional expense or create additional challenges for reliable switching. Therefore, in addition to the

options outlined below, we also want to seek stakeholder views on some steps that could be taken by all market participants to deliver benefits to consumers ahead of full programme delivery. Specifically, we want to explore whether some benefit could be delivered by:

- Reducing the objections window to 1-2 days;
- Implementing the chosen method for dealing with cooling off events, and so not 'holding back' switches until after the cooling off period has expired; and
- Moving to calendar rather than business day processing of batch registration requests.

6. Recommendations:

Our recommendation for the transition strategy is dependent on the chosen solution architecture model. At this point we recommend that if either solution architecture option 1 or 2 is chosen that a big bang approach to transition is adopted.

If solution architecture option 3 is chosen, we recommend that delivery be conducted in two waves, the CRS database as one and the MIS database the other. We do not make a recommendation at this point as to which of these should be developed first.

We also recommend that we keep on the table options for delivering some benefits to consumers ahead of overall programme delivery. We intend to test the cost of these options with relevant industry parties through our RFI. These options are:

- Reducing the objections window to 1-2 days;
- Implementing the chosen method for dealing with cooling off events, and so not 'holding back' switches until after the cooling off period has expired; and
- Moving to calendar rather than business day processing of batch registration requests.

Questions for EDAG

- i. We invite comment from EDAG members on our proposed approach to developing additional controls to mitigate delivery risks during the DLS phase.
- ii. We invite comment from EDAG members on the cost, impact and risk of attempting to deliver some benefit to consumers ahead of full programme delivery.
- iii. Do EDAG members agree with the two transition options?
- iv. Do EDAG members agree with the recommendations in the paper?

Summary of key points from stakeholders

7. In general, stakeholders have suggested a preference for conducting the transition in a manner that reduces as far as possible any period during which both current and new switching arrangements run in parallel. Doing so would help to keep costs down and reduce the risk of error, such as switches being 'lost', during the transition.
8. A big bang approach to the transition would minimise the period of simultaneous running. It may also help to reduce the complexity of delivery plans, as there would not necessarily be overlapping periods of build, test and go-live of different components. Communication of the changes to consumers could also be more straightforward, as they could expect to see all changes at once.
9. The User Group has expressed general support for the transition options and recommendations presented, and continued to emphasise that the programme should not seek to differentiate between market participants or consumers. However, the User Group highlighted that more detailed consideration will need to be given to the practical planning of the chosen transition method during the DLS phase, as the analysis to date has been based on a high-view of the solution architecture options.
10. Stakeholders also expressed general support for testing, through the RFI, the potential to deliver early benefit from the Switching Programme to consumers, for example through compressed objections window. However, they suggested that any such early measures should not prioritise speed over reliability for consumers, and avoid nugatory work.